

24 September 1973

MEMORANDUM FOR: Board of Directors
FROM : General Manager

The attached papers contain the language of our proposed open-end lending service. It is hoped that an attractive lay-out (vertical column-highlights-art work) can be designed to give a marketable appearance. We have in mind a three-part form with the loan application (Tab B) imprinted on the back of the cover letter (Tab A) describing (and selling) the PALS System.

Disbursement vouchers (Tab D) will be packaged in booklet form (five vouchers to a booklet) and will contain a receipt stub for the members record.

The Agreement/Note/Truth-in-lending form (Tab C) is a composite, all inclusive document replacing three separate forms now in use.

STATOTHR Of course, we cannot implement this program until the computer is set up to accept the changes being written into our present program by [REDACTED] This should be completed before the end of the year.

We are now writing an operations and procedure manual covering the open-end lending service. This will contain instructions to Credit Union employees and assist them in implementing the PALS System.

STATOTHR

[REDACTED]
General Manager

kn1

PRIOR APPROVAL LOAN SYSTEM (PALS)

PALS is a revolving credit plan that provides rapid loan service to our members whenever they need it. Once a plan is approved and the Agreement/Note is signed, a member can obtain funds quickly

*MAIL, PHONE, WIRE or VISIT your Credit Union Office.

*CASH AVAILABLE within moments.

*A BRANCH OFFICE of the Credit Union in your Purse or wallet.

*SIMPLY fill in the voucher provided for the amount desired -- (minimum disbursement is \$100.00) present it to a teller at the credit union office and a check will be drawn immediately. NO WAITING FOR A COUNSELOR.

*If you can't come to the office -- MAIL in your voucher. Please indicate whether you desire a check mailed to your home or to your bank account. (Complete address of Bank and account no. required)

PHONE OR WIRE - When in a hurry - and a check will be mailed to you or your bank account.

NO COLLATERAL REQUIRED. This is a signature loan available up to \$2,500.00 upon credit committee approval.

The ANNUAL PERCENTAGE RATE (APR) is 10.8% and is computed on the unpaid balances for the number of days between payments and only when you have an unpaid balance outstanding.

JOINT PARTICIPATION - The spouse can enter the PALS agreement and the credit union will honor vouchers signed and/or presented by either party to the contract.

Tab A.

Northwest Federal Credit Union
P. O. Box 663
Washington, D. C.

PALS LOAN VOUCHER

Date _____

Member
Account
Number _____

I _____ hereby request the sum of \$ _____
to be added to my present PALS loan balance, if any, subject to the
terms and conditions of my PALS agreement on file with the NWFCU.
The purpose of this loan is _____
Please disburse funds as follows:

☒ Cash/Check at the Credit Union Office

☐ Mail to _____

☐ Deposit to Bank _____ Acct. No. _____
(Name of Bank)

Address

☐ Telephone Request

Signature _____

Address _____

FIVE SCHEDULES AVAILABLE

CHOOSE a plan that fits your budget

	AMOUNT	MONTHLY PAYMENT
1	500	17.00
2	1,000	33.00
3	1,500	49.00
4	2,000	66.00
5	2,500	82.00

Monthly payments are rounded to the nearest dollar for convenience and will generally liquidate the full amount within 3 years.

PAYMENTS

Monthly payments are required in the minimum amounts specified by the plan. For convenience of our members, payment can be made by payroll allotments, mail, or in person at any office of the credit union. Of course, you can make larger payments any time without prepayment penalties.

DISBURSEMENTS

Write as many voucher requests as you like. Minimum amount \$100 and up to the approved limit of your plan. No funds will be disbursed if a voucher that is presented for payment exceeds the total amount of the approved plan.

OTHER LOANS

PALS is a signature loan, therefore, a member is entitled to submit application for other loan service at the credit union. Loans for autos, real estate, education, co-makers, and loans secured by shares are also available.

WHY JOIN PALS?

It is easy and economical to join this plan. You save valuable time completing applications, and money is available when you need it. Save interest charges compared to the more common rate of 18% charged by commercial creditors and charge accounts.

<input checked="" type="checkbox"/> Mr. First Middle Last			Account No.		Suffix		Trans Code			
<input checked="" type="checkbox"/> Mrs.			Approved For Release 2002/01/02 : CIA-RDP75-00793R000300020002-3		4					
<input checked="" type="checkbox"/> Miss										
Present Home (Mailing) Address					Indicate below leave status (Accrued)			Mo. day		
Zip Code					Sick			hrs. Ann. hrs		
Telephone Number (area code)		Office/ext.		Length of service		Date of Birth		IR		
Name:						Month day year				
Name and Address of Nearest Relative Not Living with You						Relationship		P		
Status <input checked="" type="checkbox"/> Military <input checked="" type="checkbox"/> Staff employee <input checked="" type="checkbox"/> Other <input checked="" type="checkbox"/> Retired				Social Security Number		Total Savings		C		
Gross Monthly Salary		Other Monthly Income		Source(s) of Other Income		Total Mon. Inc.		APC		
Members \$		\$								
House \$										
Marital <input checked="" type="checkbox"/> Single <input checked="" type="checkbox"/> Divorced		Name of Spouse		Age of Spouse		No. of Children		DUE DATE		
Status <input checked="" type="checkbox"/> Married <input checked="" type="checkbox"/> Other										
Plan Number 1 <input checked="" type="checkbox"/> \$ 500 \$500 or less-- \$17.00 Amount 2 <input checked="" type="checkbox"/> \$1000 \$1000 -- 33.00 Monthly Payment 3 <input checked="" type="checkbox"/> \$1500 \$1500 -- 49.00 (check one) 4 <input checked="" type="checkbox"/> \$2000 \$2000 -- 66.00 5 <input checked="" type="checkbox"/> \$2500 \$2500 -- 82.00		Method <input checked="" type="checkbox"/> Dir. Remit of <input checked="" type="checkbox"/> Mail Payment <input checked="" type="checkbox"/> P.R. Ded. // // Other								
Present Financial Obligations (Bank Loans - Mortgages - Loan Companies)									NPIC <input checked="" type="checkbox"/>	
Creditor		Address		Mo. Pay		Bal.		Ames <input checked="" type="checkbox"/>		
								Cen. <input checked="" type="checkbox"/>		
								Dep. <input checked="" type="checkbox"/>		
								Hqs. <input checked="" type="checkbox"/>		
								Other <input checked="" type="checkbox"/>		
TOTALS				\$		\$				

TAB B

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The Federal Credit Union Act makes it a Federal crime for anyone to make false statements or reports, or willfully over value property or security for the purpose of influencing the action of a Federal Credit Union on an application for loan, extension, or renewal of the same, or for the acceptance, release, or substitution of collateral.

I certify that all statements made are true and complete and are submitted for the purpose of obtaining credit, and expressly authorize any person, association, firm, corporation, or personnel office requested by this credit union to furnish information concerning me or my affairs. I also agree that notice of my separation from current employment prior to repayment of this loan in full may render any unpaid balance on the loan due and payable immediately without further notice to me.

Signature _____ Date _____

Remarks (Office use only)	Action of Credit Committee or Loan Officer	
	Chairman	Secretary
	Member	Member
	Loan Officer	Date

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PALS note, agreement and Truth-in Lending disclosure

The undersigned member(s), jointly and severally apply for an open end, revolving credit plan herein described to be used for provident and productive purposes, and agree with the credit union to the terms contained herein.

1. Upon approval, the credit union may from time to time make one or more advances to the undersigned member(s) who may pay the balance in full or in part without penalty at any time, except that minimum periodic payments are required.
2. The credit union at its discretion reserves the right to refuse any advance.
3. For value received and to be received, the undersigned maker(s) jointly and severally (each shall be agent for the other and be responsible for advances to the other, whether with knowledge of same or not) promise to pay to the above credit union all sums advanced from time to time under this revolving credit plan plus a FINANCE CHARGE (interest) at the periodic rate of .02959% per day on any unpaid principal balance computed for the period such balance(s) is outstanding. This is an ANNUAL PERCENTAGE RATE OF 10.8%. The FINANCE CHARGE is calculated at the time a payment is made.
4. Minimum periodic payments are required according to the following schedule:

MONTHLY Payments only when a loan balance is outstanding

Payments are based on the principal balance outstanding after the most recent advance (payments are not reduced as principal balance declines), and shall be due on the _____ of each month.

5. Each payment will first be applied to ^{pay} ~~retire~~ the FINANCE CHARGE then due and the remainder applied to the unpaid principal balance.

6. The undersigned hereby pledges all shares and deposits and payments and earnings thereon which I/we have or hereafter may have, whether held jointly or individually, as security for any and all moneys advanced under this plan and interest accrued thereon and authorize the credit union to apply such shares, deposits and earnings to payment of said obligation. Such application may be pursuant to such pledge or as a right of offset. I/we further agree to pay all usual and customary costs of collection permitted by law.

7. This loan plan requires no collateral.
8. It is understood and agreed by each party hereto that upon leaving the field of membership any balance then owing on this note plus interest (finance ~~charge~~ charge) shall become immediately due and payable, at the option of the holder.

Tab C

9. In the event payment is not made when due, then the entire unpaid balance of all advances made plus interest shall become immediately due and payable without notice at the option of the credit union. The credit union may then exercise such rights against security as it deems appropriate in accordance with applicable law. In connection herewith, the undersigned jointly and severally waive presentment for payment, demand, protest and notice of protest and dishonor.

→ 10. 10. Undersigned agree that the credit union may retain ^{the original of} this Agreement to comply with federal and/or state law.

Witness our hand(s) and seal(s) this _____ day of _____ 19____

(Seal)
Applicant (member) (Account No.)

(Seal)
Applicant (spouse) (Account No.)

Date _____ C
Copy Rec'd - Members Initial _____ copy mailed - Staff Initial _____

7. ~~However,~~ The undersigned acknowledge having ~~not~~ received and read this completely filled-in statement prior to the execution of the contract of indebtedness in connection with the loan. ~~The~~ In addition, the undersigned acknowledge that ~~that they~~ are aware that this Truth-in-Lending statement does not constitute a commitment on the part of credit union to make the loan described herein.